

Article - Public Utilities

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§4-402.

(a) (1) This section applies to:

- (i) electric fuel rate adjustment clauses;
- (ii) purchased power adjustment clauses; and
- (iii) purchased gas adjustment clauses.

(2) This section does not apply to a small rural electric cooperative.

(b) A gas company or electric company that directly passes on to its customers changes in fuel costs, costs of purchased power, or costs of purchased gas shall verify and justify the adjusted costs to the Commission each month.

(c) The Commission shall order a company to charge off and amortize, by means of a temporary decrease of rates, any charge the Commission finds is unjustified because:

(1) the company failed to show that the charges were based solely on increased costs of fuel, purchased power, or purchased gas;

(2) the company failed to follow competitive practices in procuring and purchasing fuel, power, or gas; or

(3) the company failed to show that its practices in procuring and purchasing fuel were reasonable.

(d) At least once every 12 months, the Commission shall conduct a public evidentiary hearing on any changes in costs that a company directly passes on to its customers under this section.

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